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C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 002640

SIPDIS

E.O. 12958: DECL: 11/28/2018

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SUBJECT: MFA OFFICIALS DISCUSS REGIONAL PEACE, DEVELOPMENTS  
IN THE PALESTINIAN AUTHORITY AND SYRIA

Classified By: Charge d'Affaires Luis Moreno. Reason 1.4 (B/D)

11. (C) SUMMARY. Director of Policy Planning Dr. David Gordon on November 16 met separately with Eran Etzion, MFA Director of Policy Planning, Tal Becker, MFA Foreign Policy Advisor, and Yaakov Hadas, Deputy Director General of the Middle East and Peace Process Division to discuss Israeli views on the Israeli-Palestinian peace process, the Arab Peace Initiative (API), and developments in Syria. The Israeli officials talked of the importance of a strategic realignment in the region that might facilitate Israeli-Arab cooperation to oppose radical forces, but lamented slow progress on this front to date. There was some debate among these policymakers over Palestinian Authority (PA) President Abbas's political future if he does not move forward with new presidential elections scheduled for January. The Israelis also split in their assessment of HAMAS's political standing. End Summary.

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ISRAELI VIEWS ON REGIONAL PEACE  
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12. (C) Dr. Gordon queried his Israeli interlocutors on the status of Israel's relations in the region. Becker characterized relations between Israel and its Arab neighbors as having improved recently following a decline after the Annapolis Conference in November 2007. He said that Israelis meet Arab officials "in hotel rooms in Europe," but he demurred when asked if he could specify countries with which Israel was improving relations. Becker, along with Etzion and Hadas, spoke of a possible strategic realignment in the Middle East to combat the threat posed by Iran and terrorist groups. "Mutual distrust between Arabs and Israel has given way to mutual distrust of Iran, HAMAS, and Hizballah," according to Hadas.

13. (C) Becker and Hadas outlined for Dr. Gordon the ways in which Arab states could improve the regional dynamic. Becker spoke of the importance of Arab regimes supporting the moderate Palestinian leadership, stressing that they have to "choose sides" and stop supporting HAMAS. Becker characterized Saudi King Abdallah's recent comments on terrorism, in which he did not blame Israel for its cause, as a sign that this was beginning to happen. The officials also spoke of small gestures that the Israeli public needs to see now - ahead of Israel's elections in February - that would give assurances that forging ahead with the peace process was worth the risks. Longer-term initiatives, according to Hadas and Becker, would focus on "regional cooperation before regional peace," and would include coordination on water, desertification, agriculture, health, and the environment. These efforts would be modeled along the lines of the Middle East Desalination Research Center (MEDRC), in which Israel since the mid-1990s has worked alongside Oman and Qatar. (Note: MEDRC is the only regional working group formed during the Oslo peace process that has survived the waxing and waning of Israeli-Palestinian negotiations.) Regional security cooperation also has potential. Hadas said that Gulf countries see Israel as a last resort for them because

Israel "might have to one day do the dirty job" of confronting Iran over its nuclear program, or of convincing the U.S. to do it for them.

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ARAB PEACE INITIATIVE: A MEANS, NOT AN END  
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14. (C) Each Israeli official viewed the API as a positive measure in that it called for normalized relations with Israel, but they cautioned that it was at best a means to an end, not an end unto itself. Hadas rejected the sequencing set out in the API in which Israel is expected to make concessions in return for normalization. In Hadas's view, normalization should not be a reward for Israel because other states in the region need normalization as much as Israel does. Becker stressed that a key element missing in the initiative is that an agreement acceptable to the Palestinians would be acceptable to all Arab states. Etzion, referencing comments by Defense Minister Ehud Barak and President Peres in support of the API, noted that the initiative risks being undermined if it appears tied to one political philosophy within Israel.

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VIEWS ON DEVELOPMENTS IN THE PALESTINIAN AUTHORITY  
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15. (C) Dr. Gordon asked the MFA officials if PA President Abbas would suffer politically from a decision to stay on as President despite elections scheduled for January. Etzion declared a lack of consensus "here." (Note: it was not clear

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whether Etzion was referring to a split within his office, the MFA, or in the Israeli policymaking community as a whole.) He said that there is a tendency to underestimate the problem of domestic legitimacy in the PA. He expects Abbas to have political problems that HAMAS will exploit, especially if negotiations progress significantly or conclude in an agreement. Becker, however, assessed that "rule of law is not a grand concept in Palestine," and predicted that Abbas would be able to survive the minor political backlash Becker expects him to face. Becker deemed 2008 the best year in Israeli-Palestinian relations since 2000, claiming that "we have the fundamentals in line."

16. (C) Etzion and Becker differed slightly in their assessments of HAMAS's strength. Etzion said that HAMAS has the upper hand now with the U.S. and Israel going through electoral transition periods and suggested that one way to change the dynamic - though it carried "extreme" risks - was to elevate the status and speed of the negotiations with the Palestinians. Becker told Dr. Gordon that HAMAS was having difficulty showing what they offer to Palestinians. "They can't offer real solutions; they are getting nothing for Corporal Shalit, the crossings are still closed, and their public support for the calming of tensions undermines their claim to resistance," Becker added. Despite HAMAS's troubles, Becker was concerned about continued Qatari support for the terrorist group and asked that the USG look into ways of halting such support.

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SYRIA: TAKING STOCK OF ASAD'S CALCULATIONS  
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17. (C) Becker noted the evolution in Israel's thinking on peace with Syria, pointing out that it is no longer land for peace that would have Israelis "eating hummus in Damascus." Instead, it was now land for strategic realignment, geared toward turning Syria away from Iran and Hizballah and toward the U.S. and the West. Etzion assessed that the Syrians probably understand that their current relations with Teheran and Hizballah cannot continue if progress is made on a peace agreement, but Damascus does not know what the West will

offer. Etzion offered his strategy if he were Syrian President Bashar al-Asad: stall, do separate negotiating tracks, and take bids from all sides. Both Etzion and Becker felt that trends could push Asad toward the West, with the former noting Damascus's fears of a Shi'a-dominated Iraq following a U.S. withdrawal, and the latter opining that Asad will determine that the U.S. is a better guarantor of his regime's survival than Iran.

18. (U) Dr. Gordon has cleared this message.

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